

Message Text

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PAGE 01 CAIRO 10225 180705Z

21

ACTION NEA-10

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TRSE-00 STR-04 OMB-01 CEA-01 COME-00 FRB-01 XMB-04

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SHOJECT: EGYPT'S STATE BUDGET FOR 1975

1. IN DEC 12 CONTINUATION OF PRESENTATION TO PEOPLE'S ASSEMBLY OF GOE'S OVERALL POLICY, MINFIN EL NASHAR PROVIDED FIRST LOOK AT 1975 BUDGET, HIGHEST IN EGYPT'S HISTORY, WITH REVENUES AND EXPENDITURES SET AT LE 6,194 MILLION (4,187 MILLION IN 1974). ALTHOUGH THERE ARE SOME INCONSISTENCIES IN FIGURES, AS RELEASED, AND WHICH EMBASSY HAS THUS FAR BEEN UNABLE TO RESOLVE, TABLES PRESENTED BELOW SUMMARIZE THE MAJOR BUDGET SECTIONS.

2. IN OBVIOUS REFERENCE TO TRADE STATISTICS, ALTHOUGH THEY WERE NOT IDENTIFIED AS SUCH, EL NASHAR REPORTED THAT IN 1974, THROUGH OCT 31, "REVENUES" WERE LE 614 MILLION WHILE "EXPENDITURES" TOTALED LE 1,659 MILLION, OF WHICH LE 1,122 MILLION IN CONVERTIBLE CURRENCY, LEAVING A DEFICIT OF LE 1,045 MILLION. ACCORDING TO EL NASHAR, THIS WILL INCREASE EGYPT'S RELIANCE ON FOREIGN FINANCING RESOURCES, AND INCREASE THE COMMITMENT IN FUTURE YEARS.

3. MAJOR ITEMS SELECTED FOR SPECIAL COMMENT WERE NATIONAL SECURITY, UNCLASSIFIED

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PAGE 02 CAIRO 10225 180705Z

OVER LE 1 BILLION (NOT SPECIFICALLY IDENTIFIED IN THE DATA), AND THE

INTERIM PLAN LE 1,180 MILLION, WHICH APPEARS AS CAPITAL EXPENDITURES, BELOW. THESE ARE THE "TWO CORNERSTONES" OF EGYPTIAN DEVELOPMENT.

4. GENERAL STATE BUDGET FOR 1975, EXPENDITURES (1974 IN PARENS)

CURRENT EXPENDITURES

A. SECTION ONE: WAGES LE 652.8 MILLION (597.5)

B. SECTION TWO: EXPENDITURES AND 4,084.8 MILLION (2563.7)
TRANSFERS - INCLUDING LE 3,104.8 HARD CURRENCY
 LE 657.0 PAYMENTS AGREEMENTS

CAPITAL EXPENDITURES

A. SECTION THREE: INVESTMENT 1,180 MILLIONS (520)
EXPENDITURES

B. SECTION FOUR: CAPITAL TRANSFERS 689.1 MILLIONS (505.9)
TOTAL LE 6,616.7 MILLION (4,187.1)

5. GENERAL STATE BUDGET FOR 1975, REVENUES (1974 IN PARENS)

CURRENT REVENUES

A. SECTION ONE: GOVERNMENT REVENUES LE 993.1 MILLION (714.7)

B. SECTION TWO: CURRENT REVENUES 3,754.5 MILLIONS (2,446.5)
AND TRANSFERS

CAPITAL REVENUES

A. SECTION THREE: CAPITAL TRANSFERS 904.9 MILLION (623.2)

B. SECTION FOUR: LOANS AND CREDIT 541.5 MILLION (402.7)
FACILITIES
TOTAL LE 6,194.0 MILLION (4,187.1)

DIFFERENCE BETWEEN TOTAL S OF EXPENDITURES AND REVENUES, LE 422
MILLION, IS UNEXPLAINED AND UNTRACEABLE. IT IS POSSIBLE THAT PRESS
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PAGE 03 CAIRO 10225 180705Z

REPORTS, WHICH ARE ALL IN AGREEMENT ON NUMBERS HAVE LEFT SOMETHING
OUT.

6. IN COMMENTING ON CURRENT EXPENDITURES (PARA 4B ABOVE),
EL NASHAR SAID THAT RESOURCES TO FINANCE THE LE 3,104.8 MILLION
WOULD AMOUNT TO ONLY LE1,907Y (NOT OTHERWISE IDENTIFIED), LEAVING
A DEFICIT OF LE1,197.2 MILLION TO BE COVERED BY DEPOSITS AND LOANS
FROM FRIENDLY STATES AND INTERNATIONAL ORGANIZATIONS (LE 991.1

MILLION IN CONVERTABLE CURRENCIES AND LE 206.1 MILLION UNDER
PAYMENTS AGREEMENTS).

7. EMBASSY WILL REPORT FURTHER DATA AS IT BECOMES AVAILABLE.
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